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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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INSURANCE PLANS OF CALIFORNIA FRUIT GROWERS

A plan for furnishing life insurance and old age benefits at a low cost has been developed by the California Fruit Growers' Exchange, Los Angeles, for its employees, in recognition of the loyal services they have rendered during the more than thirty years that the organization has been operating, which services, in the opinion of the management, have helped materially in making the Exchange a successful organization. The management feels that the "Sunkist Provident Plan," as it is called, will result in developing habits of thrift and will bring great satisfaction to the participants.

All employees of the California Fruit Growers' Exchange and its subsidiary, the Fruit Growers Supply Company, are classified on the basis of length of service and amount of salary. Employees who have less than five years' service to their credit are covered by group life insurance, the entire premium being paid by the Exchange. This becomes effective after 60 days' employment, and from that time up to three years the amount of the insurance is \$500; from three to five years the amount is \$1,000. This is irrespective of the salary of the employee.

For service exceeding five years the employee may choose between the following forms of benefits.

- a. Guaranteed life income at age 65.
- b. Cash settlement to beneficiary or beneficiaries named therein in event of death prior to age 65.
- c. Life income, should employee become totally and permanently disabled for any cause prior to age 65.

The Exchange pays the premiums deducting a portion of the cost from the salary of the employee. When service does not exceed 15 years the Exchange pays 52 per cent of the premium and the case of employees with more than 15 years of service to their credit the Exchange pays 76 per cent of the premium.

The administration of the "Sunkist Provident Plan" is vested in a committee of five appointed by the president of the Exchange, two of the five committeemen being from the board of directors and three from the employees who have completed five or more years in the service of the Exchange.

SOWEGA MELON GROWERS PLAN TO GROW PEARS

During its last marketing season the Sowega Melon Growers' Association, Adel, Ga., shipped 2,536 cars of Scwega watermelons. The shipping season lasted 75 days, the first car going forward June 8 and the last on August 22. However, 80 per cent of the shipments were made in 40 days, and half in less than 30 days, from June 22 to July 18.

As the auditors have not completed their work the exact figures on prices are not available, but according to a report by the management they will average something over \$135 per car on all varieties. Last year, with better quality melons, the average price per car was \$182.

Members of the association have been looking for another money crop and have concluded that pears of a non-blighting variety are the best tree fruit for that section. A desirable variety has been selected and the association has ordered 100,000 trees for members who wish to start orchards this fall. As the pears will not ripen until the melon season is over, the marketing of the two crops can be handled advantageously by the association.

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ASSOCIATION HANDLES RIPE OLIVES AND OLIVE OIL

Canning and marketing ripe olives is the special line of work carried on by the Wyandotte Olive Growers' Association, Oroville, Calif. A portion of the crop is also sold in the form of canned olive oil. The fruit is packed under the "Wyandotte" brand and sold throughout the year. Under this brand the association has built up a reputation for high quality products.

The association was incorporated March 27, 1916, as a nonstock marketing organization, with a membership fee of \$5. Voting in business meetings is on the basis of one vote for each acre of olive orchard. In 1922 the association had 32 members, shipped 15 cars, and transacted business to the amount of \$110,000. At present it has 58 members and about 300 patrons.

The manager states that the pool for each year's crop is closed as soon as all the returns for that particular crop are received. The pool for the 1925 crop was closed on January 17, 1928, and the growers' receipts amounted to \$72,279. Sales of the 1926 crop have now been completed and the report shows returns to growers for 510 tons of canning ripe olives, \$75,991; and for 265 tons of oil olives, \$8,741, a total of \$84,732. In the meantime the growers have been receiving partial payments on their 1927 crop.

Other available figures on volume of business are as follows: 1921, \$60,000; 1922, \$110,000; 1923, \$58,903; 1924, \$75,760; 1925, \$73,709.

BEAN GROWERS REMINDED OF AGREEMENTS

Members of the Colorado Bean Growers' Association, Denver, are reminded through their official organ, that by refusing to live up to the marketing agreement which they have signed, they injure other members in two ways. By reducing the size of the pool they increase the marketing expense per cwt., and by selling outside the pool they sell to a competitor who is working in opposition to the association's efforts to establish a better price level.

This season the association plans to operate all the machinery for cleaning beans, instead of hiring a part of the work done as last year, and expects to give better service with greater economy

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NEW PUBLICATION FOR FLORIDA CITRUS GROWERS

Volume I, No. 1, of the Florida Clearing House News put in its appearance in September as the organ of the new Florida Citrus Growers' Clearing House Association with headquarters at Winter Haven. The new monthly is a fine looking, 48-page magazine with cover pages printed in colors. This first issue tells of the new organization and its plans, giving credit to the Committee of Fifty who conducted the campaign which resulted in signing up 80 per cent of the citrus fruit of the State. Three purposes of the Clearing House are stated to be to "merchandise, standardize, advertise." The illustrations include pictures of the officers and directors. Several signed articles bear the names of well known men.

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MICHIGAN POTATO EXCHANGE ADVISES ON HARVESTING

In view of the prospects of a heavy potato crop throughout the country, the Michigan Potato Growers' Exchange, Cadillac, is advising its members to use extra care in harvesting and grading. They are urged to see that none but the very best of their potatoes reach the market as "high-quality potatoes do not glut the market; it is the poor stuff that causes the trouble." Growers are advised to dig early to avoid frost damage; to dig in bright weather when the soil is dry and will not stick to the potatoes, as bright, clean potatoes sell best; and to dig and handle carefully so as to avoid cutting and bruising.

By using certified seed and improved methods of cultivation and care, Michigan growers have been improving the quality of their crop for the past five years, and by adopting standard grades they have built up a reputation for their product. The management believes the members should work this year to secure top prices for their high quality stock.

NEBRASKA CREAMERIES PLANNING TO FEDERATE

Representatives of the Farmers' Union creameries of Nebraska are taking steps toward federating their creameries in the interests of economy and efficiency. By means of such united effort they believe they could make savings in buying supplies and equipment, eliminate competition in buying cream and selling butter, make better and more uniform butter which would bring better prices, secure better accounting, and strengthen their local associations financially.

At a meeting held in Omaha September 10, the need of some such organization was unanimously recognized, at least a joint sales agency. On motion the creamery directors present drew up a plan for merging the buying and selling power of the Farmers' Union Cooperative creameries of the state under one organization. This plan was approved and each director was instructed to present the plan to the board of directors of his creamery for consideration.

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MARKETING DAIRY PRODUCTS IN WASHINGTON

Group insurance for the 1,600 members of the Skagit County Dairymen's Association, Burlington, Wash., is being considered by the management of the organization. It is proposed to provide life insurance of \$500 or more for members and their wives and to arrange with an established company to carry the risks.

This association was organized in 1919 and is engaged in turning the milk produced by its members into the various dairy products and in marketing these products under as favorable conditions as possible. Two plants are operated, one at Burlington and one at Mount Vernon. The output of these plants for the years 1926 and 1927 was as follows:

Year	Butter	Cheese	Milk powder	Evaporated milk
	(Pounds)	(Pounds)	(Pounds)	(Cases)
1926	1,648,677	223,471	3,007,674	271,392
1927	1,414,880	167,334	2,215,873	378,321

Total sales for 1926 were \$2,446,946 and for 1927, \$2,500,785. The items making up the 1927 total were: evaporated, milk, \$1,518,464; butter \$658,533; milk powder, \$191,615; raw milk, \$54,249; cheese, \$41,339; sweet cream, \$28,684; condensed skim milk, \$2,418; miscellaneous, \$5,483. The products of the association are marketed under the trade name of "Darigold."

At the close of the 1927 business year the net worth of the association was \$474,060, including share capital of \$86,071, redemption certificates amounting to \$224,562, and surplus of \$163,427.

The real estate and two plants have a depreciated value of \$488,703.

ABERDEEN CREAMERIES OPEN ANOTHER BRANCH

A new creamery plant was opened at Minot, N. Dak., in September by the Equity Union Creameries, Aberdeen, S. Dak. This makes the third branch plant, others having been set up at Mitchell, S. Dak., and Jamestown, N. Dak. The Minot plant was established on the same plan as those at Mitchell and Jamestown; a building was leased until the business should develop sufficiently to justify the erection or purchase of a permanent plant. At Jamestown a fine new building has been built and at Mitchell a site has been purchased. Minot is the center of a territory where the farmers are increasing their dairy herds and the prospect of working up a large volume of business seems encouraging. For the present the cream received at Minot will be churned at Jamestown.

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CREAMERY OUTPUT INCREASES DURING EIGHTEEN YEARS

Thirty-one years of activity is the record of the Elgin Cooperative Creamery Association, Elgin, Minn. The association is organized without capital stock and is serving 175 patrons. During 1927 the output of the creamery amounted to 489,032 pounds of butter. The greater part of the butter was shipped to eastern markets, although small quantities were sold locally and to patrons.

The total income of the association for 1927 was \$233,060 and expenses amounted to \$13,191. Nearly \$4,000 was deducted from income for the building fund, and patrons received \$205,940. The average cost of making butter for the year was 2.6 cents a pound.

In 1910 the output of the creamery was 165,412 pounds; in 1915, 258,942 pounds; in 1921, 268,401 pounds; and in 1926, the big year in the history of this farmers' enterprise, 506,317 pounds.

Patrons have been paid from 88.4 to 95.5 per cent of total receipts. This latter percentage was paid two years, 1918 and 1919. The percentage of receipts paid growers in 1927 was 92.9, which percentage was also paid in 1913.

Growth since 1910, as measured in butter made, is shown below:

Year	Butter made (Pounds)	Year	Butter made (Pounds)	Year	Butter made (Pounds)
1910	165,412	1916	244,462	1922	328,778
1911	164,466	1917	234,345	1923	387,216
1912	167,041	1918	246,308	1924	463,980
1913	190,104	1919	257,547	1925	501,502
1914	221,009	1920	No report	1926	506,317
1915	258,942	1921	268,401	1927	489,032

MORE WHEAT PRODUCERS IN SASKATCHEWAN POOL

Nearly 600,000 additional wheat acres were signed up to the Saskatchewan Cooperative Wheat Producers, Ltd., Regina, Sask., during the 30 days preceding September 26, according to a recent report from the management. Since the new-term wheat contract was issued in February of 1927, more than 12,000 wheat growers, not formerly members of the association, have signed contracts agreeing to market their wheat through this farmer-owned and -controlled organization.

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FINAL SETTLEMENT BY KANSAS WHEAT MARKETING ASSOCIATION

Final statements have been sent out by the Kansas Cooperative Wheat Marketing Association for the wheat included in the 1927 pool, also checks for one-half of the balance due on wheat marketed through the association. The portion of the final payment retained by the association is being used as a contingent reserve to finance the association until the marketing of the 1928 wheat crop is well under way.

The final settlement is made on the basis of net, Kansas City, with premiums for protein content, discounts for damaged grain, and additions for farm storage. The net price is also subject to deductions for freight from shipping point to Kansas City and for local handling charges, these varying for the different shipping points.

The average net price for wheat of the 1927 crop grading No. 1, for which there were no protein premiums, was \$1.157. The average net prices for No. 1 wheat of 12 per cent and more protein content were as follows, Kansas City basis: No. 1 wheat, 12 per cent protein, \$1.199; 13 cent protein, \$1.264; 14 per cent, \$1.319; 15 per cent, \$1.369; 16 per cent, \$1.404.

Lower average prices prevailed for wheat grading less than No. 1. The additional amounts credited to growers for farm storage varied from nothing for those who did not hold their wheat, to 8 cents a bushel for those who held their grain to near the close of the marketing season.

The cost of operating the association in connection with the marketing of the 1927 pool was 10.178 cents a bushel compared with 9.907 cents for the 1926 pool. The increased cost was due to the smaller volume of wheat handled, there being but 2,465,423 bushels in the 1927 pool compared with 4,055,243 bushels in the 1926 pool. The total Kansas wheat crop in 1927 was below the average and but a little more than two-thirds of the 1926 crop.

There was also a deduction of two per cent from the gross receipts. This amounted to 2.697 cents a bushel on the 1927 wheat and 2.746 cents a bushel on the 1926 wheat. This deduction is for building up a reserve for financing the marketing operations. The larger per-bushel deduction in 1926-27 was because of the higher price at which the grain was sold.

PORTION OF EARNINGS GOES TO PATRONS

Since its organization in November of 1919, the Scott Equity Exchange, Scott, Ohio, has paid patronage dividends amounting to \$28,327 in addition to paying dividends on capital stock and accumulating a surplus of \$18,677. Sales for the business year ending June 30, 1928, were \$234,859 and net earnings were \$5,504. A five per cent dividend was paid on outstanding capital stock, a two per cent dividend was paid on members' patronage and \$1,339 was added to surplus.

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OKLAHOMA EQUITY HANDLES GRAIN AND MERCHANDISE

Gross sales of the Guymon Equity Exchange, Guymon, Okla., amounted to \$120,665 for the year ending May 31, 1928, and the net earnings came to \$4,178. This company is located in western Oklahoma where it serves a community of grain producers. It operates an elevator and handles merchandise. Its assets include real estate valued at \$2,000; grain elevator, \$10,244; brick store building, \$8,400; brick and block warehouse, \$2,313; frame warehouse, \$2,002; furniture and fixtures, \$5,904. Capital stock outstanding amounts to \$21,700 and the surplus account has a credit of \$12,977, not including net earnings for the last season. The company has operated successfully since it started in business in July, 1917.

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MANY NEW CONTRACTS FOR MANITOBA WHEAT POOL

Contracts are being received at the office of the Manitoba Cooperative Wheat Producers, Ltd., Winnipeg, at a rate which breaks all records except that of March and April, 1924, when the association was first organizing. The following figures are given:

New contracts received during August	1,070
Removals, 1924-1927 wheat contracts, August	473
New contracts, week of September 1-7	673
Renewals, week of September 1-7	235
New contracts, week of September 8-14	283
Renewals, week of September 8-14	63
	<u>2,797</u>
Total contracts to September 14	32,943
Total membership to September 14	19,340

In addition to the above more than 200 contracts came in on September 14. The membership is now larger than ever before.

For the benefit of members the association publishes in the Scoop Shovel, its official organ, a list of the secretaries of the local boards and of local committee men, with their postoffice addresses.

SASKATCHEWAN LIVESTOCK POOL REPORTS GROWTH

The Saskatchewan Livestock Cooperative Marketing Association, Ltd., reports that its first 15 months of work has resulted in steady and healthy growth. Leaders of the movement recognized from the first that the pool must be a growth rather than a sudden development, and they believe now that it will be at least another year before the local shipping associations will cover the entire province. At present there are 90 such locals in operation, some in territory where fairly large quantities of stock are produced. Within a year the membership has increased from 5,500 to 11,580.

Comparative figures for June, July and August of 1927 and 1928 show the increases in stock handled:

	<u>Cattle</u>	<u>Hogs</u>	<u>Sheep</u>
June - August, 1927	3,921	7,571	607
June - August, 1928	10,794	19,902	1,546

The association is operating three sales agencies, at Winnipeg, Moose Jaw and Prince Albert. All report increasing sales, however, the largest increase is at Winnipeg as that agency draws from a larger territory.

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IOWA FARMERS SHIP THEIR OWN LIVE STOCK

In the year ending December 31, 1927, the Farmers' Cooperative Shipping Association, Union, Iowa, shipped for its members 111 cars of livestock with a home net value of \$181,309. These shipments consisted of 70 cars of hogs, 6 cars of cattle, and 35 mixed cars. Hogs were shipped at an average cost of 61.9 cents per cwt; cattle averaged 58.4 cents and for the mixed cars the average cost was 66 cents per cwt., according to a report by the management.

The association was organized in 1919 and incorporated in 1923, in which year it reported having 75 members; in 1927 there were 110 members, and at the beginning of 1928 the number had increased to 114.

Available figures regarding the business of the past four years are given below:

Year	Cars shipped	Home net sales	<u>Animals shipped</u>		
			<u>Hogs</u>	<u>Cattle</u>	<u>Sheep</u>
1924	90	* \$107,730	5,509	304	121
1925	100	183,994	6,090	362	299
1926	111	210,466	6,516	559	192
1927	111	181,309	6,278	701	87

* Returns for two cars not received at time of report.

MANITOBA POULTRY POOL SETTLES FOR SUMMER EGGS

During the past summer the Manitoba Cooperative Poultry Marketing Association, Ltd., Winnipeg, handled 131 car loads of eggs of 12,000 dozen per car. This was 18 car loads more than in 1927. Final payments for the pool period July 28 to September 1, were as follows: extras, 32 cents; firsts, 30 cents; seconds, 24 cents; cracks, 17 cents.

The five branch stations are now closed and all eggs are being shipped to the Winnipeg office. Each shipment is graded and paid for on the basis of market prices. The management states that there will be no pooling of prices during the winter months as relatively few eggs are produced during that period.

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WASHINGTON ASSOCIATION PRODUCES BABY CHICKS

At the end of its business year on August 1, the Washington Cooperative Chick Association, Bellingham, Wash., made returns to its shareholders to the amount of \$10,766. Of this amount \$2,508 was an 8 per cent dividend on share capital, and \$8,258 was a refund of 2 cents per chick on all co-op chicks purchased by shareholders the past season. Besides this, the sum of \$6,278 was added to the reserve fund which now amounts to \$26,196.

When this association was organized in 1924 it was called the Whatcom County Cooperative Hatcheries. In form it was patterned after the Washington Cooperative Egg and Poultry Association of Seattle. Each member was required to subscribe for share capital at the rate of one cent per hen, with a minimum of \$5. Chicks are sold to members and non-members at the same price, and at the end of the business year earnings are refunded to shareholders. Each of the past two years the association has produced half a million chicks and has paid 8 per cent interest on capital and refunded two cents per chick to shareholders.

With the change of name on December 8, 1927, the authorized capital was increased from \$45,000 to \$100,000. At the first of the present calendar year the number of shareholders stood at 450, with a list of 700 patrons served in 1927. The association now owns and operates hatcheries at Lyndon, Blaine, Bellingham and Mount Vernon, and also has a 60-acre breeding farm near Ferndale.

Sales of eggs for hatching in 1925 were reported as \$4,091, and sales of chicks, \$36,553. Corresponding figures for 1926 were, eggs, \$312; chicks, \$75,791.

EGG MARKETING ASSOCIATION IN WASHINGTON

Among the more recently organized associations for the cooperative marketing of poultry products is the Producers' Egg and Poultry Association, Yakima, Wash. The association was originally formed about 1923, was incorporated in 1927, and now has about 150 members. It is a nonstock association marketing poultry products and handling feed and poultry supplies for the convenience of its members.

A marketing agreement covering ten years, 1927-1936, includes all the eggs produced by members except those used in the farm home or for hatching. The agreement provides for the sale of the members' eggs to the association on a proportionate-return basis, with a final settlement on July 1 for all eggs handled the preceding calendar year. In addition to a deduction from gross sales of an amount sufficient to cover expenses, the agreement also provides for a deduction of not more than one cent a dozen for a "withholdings repayable" fund.

Liquidated damages are fixed at 5 cents a dozen. Injunction in cases of threatened breach of contract and a decree of specific performance, are provided by the agreement. A member may terminate his agreement by serving notice on the management of the association in November of any year during the life of the agreement.

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NEW CONTRACT FOR PACIFIC POULTRY PRODUCERS

The management of the Pacific Cooperative Poultry Producers, Portland, Oreg., in announcing that the existing marketing contract expires on December 31, 1928, states that no money is to be spent on a sign-up campaign, that no solicitors are to be put into the field, no meetings are to be held, nor is any special advertising to be done. Copies of the new contract are to be sent to members to be signed and returned.

The management feels sure that this inexpensive way of obtaining signatures to the contract will prove satisfactory because recently the association released all its members under contract and told them to sell eggs outside if they so wished. Only 10 per cent of the members failed to deliver to the association as usual, and only 6 per cent of the eggs belonging to association members were sold on the outside.

This release of members was made because buyers in the territory were offering more for eggs than market conditions would justify. With the release of the members from their contracts, egg prices outside the association dropped to a point where it was not to the advantage of the egg producer to sell outside his own organization.

The management of the association expects 90 per cent of the present membership to sign the new marketing agreement without solicitation because they can not afford to be without the service which the sales agency is rendering.

MEMBER HELD RELEASED FROM CONTRACT

The Supreme Court of Colorado recently decided the case of the Mountain States Beet Growers' Association v. Monroe, 269 P. 886. Monroe is a member of the association and under his contract with the association (which is similar to those of each of the other members) he constitutes it his sole agent for the purpose of marketing and contracting for sale of all sugar beets to be grown by him during the life of the contract. The association agrees to endeavor to market at a fair and profitable price the beets which the grower produces, but it is stipulated that the association shall not be liable for any damages the grower may sustain in the event no sale of beets is made because the price offered is not satisfactory to it.

The working plan adopted by the association, the Great Western Sugar Company, and members of the association, contemplated a contract between the growers and the association, another contract between the grower and the sugar company, which is the only purchaser of sugar beets in that section, and a further contract of purchase between the association and the sugar company.

During the year 1928, the association and the sugar company were unable to agree upon terms of a contract for marketing the crop to be produced by members of the association this year. Monroe, having ascertained in April that no contract had been made between the association and the sugar company, asked to be released from his contract with the association during 1928 so that he might be free to enter into a contract independently for the sale of his beets. The association refused to release him and he brought this action to enjoin the association from enforcing the provisions of the contract against him and to release him from its obligations this year. The answer of the association stated that for months previous to the beginning of the month of April, 1928, it had been negotiating with the sugar company in attempts to secure a satisfactory price for this year's crop; that the sugar company, during the negotiations, had only submitted one form of contract; that this contract was not satisfactory in its judgment and its refusal to accept such contract was duly approved by a majority of its members. The court below found that the association was unable to perform the terms of the contract; that its refusal either to market Monroe's crop or to release him from the contract and permit him to market his crop on his own behalf was arbitrary and unreasonable; that the contract was in restraint of trade and, as construed by the association, would operate to restrict or decrease production in order to enhance prices.

On appeal, the Supreme Court said that while the lower court expressed opinion on all the questions raised by the parties to the suit, its decision would be confined to the question of whether the association's refusal in the circumstances that existed to accept

the contract tendered by the sugar company was illegal, arbitrary and unlawful, and likewise released Monroe from his obligation under his contract with the association.

In this connection the following is quoted from the opinion:

There is another and persuasive reason why we should thus restrict our decision. During the oral arguments before us we were informed by counsel that, after the findings of fact by the district court were announced and its decree thereon entered, contracts for the present crop were made between the sugar company and the grower, which contain a provision that they shall only be binding if this judgment is affirmed.

Affirming the decision of the lower court, the Supreme Court said:

When the defendant association declared its approval of the tendered marketing contract as to all of its terms, and offered to sanction the same if the sugar company would make another contract with it for three additional years on the defendant's own terms, and the sugar company refused to do so, and the association still refused to release the plaintiff from his obligations under the contract, or permit him to market his own crops, this was a manifest abuse of the legal discretion which it had, and plaintiff was released from his obligations for the year 1928.

In a dissenting opinion, the Chief Justice said:

These contracts, it seems to me, are such as we have already approved in the cases cited in the majority opinion, and so may lawfully, and therefore must, be pursued with efficiency and construed to that end. We must say then, must we not, that the directors of defendant are not bound to sell at any price, but may reject any and all offers, till they get one which they think reasonable, even to the extent of failure to sell, as long as they act in good faith? The grower's remedy is to quit the following November, according to the contract.

If we do not say this, we leave the defendant with no power but to accept whatever the lone purchaser chooses to offer; i. e., with no power at all.

H. M. Bain

BUDGETARY CONTROL AND MANAGEMENT EFFICIENCY

Efficient management of cooperatives is fundamental to continued successful operation. It is, of course, essential to all business, but probably is especially important in farmers' marketing organizations because of the peculiar psychology involved and the large number of individuals directly interested.

Low costs of operation, high sales prices, and similar tests of satisfactory operation which are usually applied to business operations, are valuable only when it is possible to compare them with some standard or with the same items in other organizations operating under similar conditions and performing similar services. However, any attempt to apply such comparative tests as a means of determining how satisfactory the operations have been, and the point at which efforts towards improvement should be directed, is met with some almost unsurmountable difficulties. In the first place, there is very little information available in the form of comparable costs for similar organizations, and prices realized by competitors are not, naturally, given very great publicity. Further, the incidental services performed by cooperatives for their members are much more numerous than those performed by private organizations, even if the marketing services are fairly similar, which they usually are not. To compare the costs and results under such unlike conditions is of very little use. And yet, there is a need for comparison with some standard.

The answer to this need has been the application of scientific analysis to business operations, and the development of a method of checking up on current operations, which in most discussions has been termed "budgetary control."

One banker who has had a great deal of experience with it, probably more than any other in this country, recently made the statement that he had yet to see any business, and he believed there was none, which could not be brought out of its difficulties and into a better position through the use of budgetary control.

In brief, the following five points summarize what can be accomplished through budgetary control:

1. Budgeting substitutes definite facts and figures for guesswork, and intelligent planning for blindfold fumbling.
2. It employs cooperation; and it does more, it enforces cooperation, indeed, creates it.
3. It serves to materialize contemplated actions in such a way that the results of those actions become known before the actions themselves are set in motion.
4. It helps to restrain unwise expansion.
5. It provides a unified plan of operation - a financial working plan that, as every executive knows, is of the utmost value and importance to any enterprise.

A. V. Swarthout.

USE OF SURVEYS IN TEACHING AGRICULTURAL COOPERATION, NO. 1

Agricultural teachers frequently find difficulty in deciding what their attitude should be toward cooperative marketing activities in the communities in which they are working. On the one hand, cooperative policies and practices are frequently a matter of controversy, and in a few communities even the principles of the movement may be questioned. The teacher hesitates, with some justification, to take an active part in a movement regarding which there are strong differences of opinion because charges of partisanship may decidedly impair his usefulness to the community.

On the other hand, an active teacher has little inclination to neglect such an important subject as marketing, either in his class work or night school work with adult farmers and farm boys out of school. He realizes that his teaching, in cooperative marketing especially, will be more or less sterile unless it is related intimately to the problems of his community. Study of the principles of cooperation, or of the policies and accomplishments of successful associations, has little meaning unless it points the way to an understanding of community conditions and suggests means for their improvement.

It would seem advisable that the attitude of an agricultural teacher toward cooperative marketing in his community should be that of an unbiased investigator. He is not required to be a promoter or a partisan of any system of marketing farm products. He can assist, however, in collecting and analyzing data which will enable farmers to arrive at sound conclusions. In class work, also, he can make surveys of conditions in the community, which will give a practical application to class room study of principles and practices in cooperative marketing and purchasing.

Two general situations will be found with respect to cooperative marketing which may be studied by the survey method. First, cooperative organizations may not be operating in the community, or certain products may not be marketed cooperatively. In this event, a survey may be made to determine the advisability of cooperation and to outline the conditions under which a cooperative organization may be expected to succeed. Second, it may be necessary to measure the efficiency of cooperative associations in the community and the fidelity with which they are representing the farmers' interests. Valuable information on this question can also be obtained by a properly planned survey.

Two articles in succeeding issues of Agricultural Cooperation will outline surveys, designed to collect information on these questions, which may be used by agricultural teachers working either with high school students or adult farmers.

A. W. McKay.

SUGGESTED READING FOR COOPERATORS, No. 5

"The Rural Life Problem of the United States," (Macmillan Company, 1912, was written by Sir Horace Plunkett, an Irishman who had been a leader in introducing cooperation into his own country. He worked long and hard to aid in establishing the cooperative movement in Ireland under the Irish Agricultural Organization Society. Securing a seat in Parliament in 1892, we worked for governmental relief for Irish industry and agriculture, resulting in the formation of "The Department of Agriculture and Other Industries and for Technical Instruction for Ireland," of which institution he was the head for seven years.

In his earlier years Sir Horace came to this country for his health and spent ten years as a ranchman in the foothills of the Rocky Mountains, and thereafter made annual visits to look after business interests. As head of the Department of Agriculture and Technical Instruction for Ireland he came often to the United States to study rural conditions and the facilities concerned with their relief. This "Irish-American existence" covering many years gave him a profound interest in the rural people of both lands and a broad understanding of their problems.

After 30 years of effort in behalf of the cooperative movement, Sir Horace was constrained by advancing years and reduced vigor to delegate his work and turn over a large part of his fortune to a board of trustees who named their trust the Horace Plunkett Foundation. This institution has its headquarters in London.

In the United States Sir Horace found conditions ill-balanced, as in other English speaking countries, and the city developed to the neglect of the country. He points out the economic, social and political consequences of this rural neglect and the danger of sacrificing the interests of agriculture to those of commerce and industry. Important as are the economic conditions, he feels that "the main consideration is moral and social, human rather than material," and is convinced that the reconstruction of a rural civilization is essential. To bring this about "agriculture, the basis of rural existence, must be regarded as a science, as a business, and as a life." This leads to a discussion of the famous formula of the "Three Betters," "better farming, better business, better living," of which the writer is convinced that better business must come first.

The book is considered a standard work on the subject and the reader will find food for thought in the author's keen analysis and sagacious comments as well as in the propositions for relief.

Chastina Gardner

A STUDY OF THE COOPERATIVES OF NORTH WALES

"Agricultural Cooperation in North Wales: A Study in Experience," is the title of a new bulletin of the Agricultural Economics Department, University College of Wales, Aberystwyth. The preface states that the study is somewhat similar in character to a bulletin dealing with the cooperative societies of South Wales, but differs in that it covers the experience of the last quarter century while the South Wales study dealt more specifically with the conditions in 1926.

Cooperative organization was first undertaken in North Wales in 1904 and three societies for buying and selling supplies were formed in that year. They had 157 members and their sales amounted to £2,527. Steady progress marked this line of effort, "not without suffering the growing pains of youth," but it was some years before any other types of societies were formed. In 1914 there were 30 of the "requisite societies," with 2,753 members, share capital to the value of £4,373, and sales of £99,434.

The success of these societies doubtless influenced the farmers and made them willing to organize during the chaotic years of the World War and many societies for the sale of produce were formed. In 1920 North Wales had 69 societies of all kinds, with 10,249 members and sales aggregating £311,889. Their activities "ranged from land purchase to the growing of daffodils."

The survey covered the year 1926 at which time the number of societies was reduced to 48, including 33 store societies, 8 dairy, 1 egg, 3 implement societies, and 3 miscellaneous.

The cooperative stores are scattered over the country so there is one within reasonable distance of nearly every farm. Some are large and some are small, with an average membership of 250 and average sales of £11,381 for all societies. Average sales per member were £45.4. All but nine in this group reported profits in 1926.

Of the eight dairy societies four are seasonal cheese factories, usually operating only from April to October. All four are of comparatively long standing, due to careful management and membership loyalty. Two societies make cheese in the summer and sell liquid milk at wholesale in the winter months; another which makes summer cheese and whole-sales milk in winter, also operates a retail milk route in its own town. The eighth society supplies liquid milk to retailers. It now has two shops and three milk routes, and the shops handle groceries and eggs.

North Wales has only one association solely for the sale of eggs. Two employees with trucks travel throughout the country collecting eggs and paying cash at a price fixed each Friday morning. Eggs are assembled every day, tested, and graded on a weight and quality basis. The affairs of this society are discussed at some length.

Many other lines of effort are described and the results of their operations analyzed, with comments and general conclusions on the situation for the entire country.

GOVERNMENTAL AID FOR AGRICULTURAL COOPERATION

"The Policy of the Government Toward Agricultural Cooperation," an address by Chris. L. Christensen, in charge, Division of Cooperative Marketing, U. S. Department of Agriculture, before the Institute of Politics, Williamstown, Mass., August 1, 1928, has been multigraphed and is available for distribution.

After reviewing the development of the cooperative movement in agriculture and summarizing its present extent, Mr. Christensen outlines the terms of the Cooperative Marketing Act of 1926 and tells how the Department of Agriculture is carrying out the law's provisions for encouraging cooperative organizations through research, education and service work, without undue supervision or regulation of the associations.

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INTERNATIONAL STATISTICS OF COOPERATION

"Internationale Statistik Der Genossenschaften" is the title of a volume of 275 pages by Dr. Karl Ihrig, professor of the Royal Hungarian University in Budapest, published early in 1928. The information collected has been grouped for consumer cooperatives, credit cooperatives, agricultural cooperatives, and cooperation in general. The agricultural cooperatives are discussed under two general headings, purchasing and selling associations in general, and those handling milk and eggs. Available information for the different groups is given for distribution of associations, membership and volume of business. Much of the information is arranged in tabular form for ready reference.

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FEDERAL TRADE COMMISSION REPORTS ON COOPERATIVE MARKETING

The report of the Federal Trade Commission on the cooperative marketing of farm products has been issued as Senate Document No. 95, 70th Congress, First Session. The volume of 721 pages bears the title "Cooperative Marketing."

Part I deals with the development and importance of cooperative associations for marketing farm products and endeavors to present a picture of the movement by detailed descriptions of a number of organizations handling various lines of products. An effort was made to determine the extent and importance of interference with the formation and development of farmers' cooperative enterprises.

Part II presents the results of a study of costs, prices, and marketing practices of farmers' cooperative marketing associations compared with other types of dealers and distributors handling farm products.

The conclusions reached by the authors are presented in the final chapter.

REPORTED BY THE ASSOCIATIONS

A recent addition to the Land O'Lakes Creameries, Inc., Minneapolis, Minn., is the Challenge Cream and Butter Association, Los Angeles, Calif., with its 14 large member creameries, some of which own and operate more than one plant.

A monthly publication printed in Bohemian has been started by the management of a workmen's cooperative in Chicago. This was done to keep the 800 members of the association, who are largely Bohemians, informed as to the activities of their organization.

Louisiana beekeepers at a recent meeting at Baton Rouge, developed plans for forming a cooperative marketing association. They propose to establish a blending plant at which the surplus honey of the various producers will be blended into a standard product.

The Farmers' Union Terminal Association, St. Paul, Minn., was recently admitted to membership in the Duluth Board of Trade, which operates under the Grain Futures Act. This association is engaged in selling grain for the farmers of Minnesota, the Dakotas and Montana in the terminal markets of Minneapolis, St. Paul, Duluth and Chicago.

During the period from May 1, 1928, to August 31, 1928, inclusive, the Equity Union Grain Company, Kansas City, Mo., received 1,427 cars of grain from grain growers' associations in Kansas, Nebraska and Colorado. The largest number of cars from one point was 91 from Culbertson, Nebr.; the second, 65 from Atwood, Kans.; and the third largest, 56 cars from McDonald, Kans.

The Twin City Milk Producers' Association, St. Paul, Minn., is asking its 7,600 members to urge their friends in the cities of St. Paul and Minneapolis to buy milk only from dealers whose wagons carry the trademark of the association. The management believes that in this way the demand for association milk can be stimulated.

Manitoba's newest marketing cooperative is the Manitoba Cooperative Fisheries, Ltd., Winnipeg. This is an incorporated selling pool of Manitoba fishermen, bound under a five-year contract to sell all their product through the association. Those who have already joined the association controlled over 10,000,000 pounds of fish last winter, of which about 3,000,000 pounds was fresh or unfrozen fish. The association proposes to begin by handling only winter caught fish, but later may extend its activities and operate during the entire year.

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